

Chapter 12 — Committee Reports

Typically, all general purpose committees (state and local) use the Recipient Campaign Statement (Form 460) to report campaign activity for all semi-annual and preelection statements. The Form 460 is the main campaign disclosure report and provides the public with an overview of the committee's activity, including money coming in and money going out, during a specified reporting period established by law. The report must include all activity during the specified reporting period, even if it was previously reported. For example, a contribution that was already reported on a Form 497 (24-Hour Contribution Report) must still be reported on the committee's next Form 460.

Committees with minimal activity in a reporting period may be eligible use the Form 450 (Committee Campaign Statement – Short Form) instead of the Form 460. An example is provided at the end of this chapter.

A committee with no activity may file the Form 425 (Semi-Annual Statement of No Activity) as a semi-annual statement. The form simply requires the committee's name and address and the treasurer's signature.

The forms reviewed in this chapter can be accessed from the FPPC website. Software programs are also available for purchase. The FPPC does not endorse any specific programs. A list of vendors is available on the Secretary of State's website.

[Insert Form 460, Cover Page Example here]

A. Completing the Form 460 Cover Page

Statement Covers Period

If this is the first report of the calendar year, the "from" date should be January 1. Otherwise, this date should be the day after the closing date of the most recently filed campaign statement. The closing date is identified on the filing schedule available on the FPPC website.

Date of Election

When filing a preelection statement in connection with an election, provide the date of the election.

Part 1: Type of Recipient Committee

Check the "General Purpose Committee" box and indicate whether the committee is sponsored and/or a small contributor committee. (See Chapter 1 for definitions.) Complete Parts 2, 3, and 4.

Part 2: Type of Statement

The filing schedule will identify the type of statement (e.g., semi-annual, preelection). Check the appropriate box to indicate the type of statement being filed.

Part 3: Committee Information and Treasurer(s)

This entire section must be completed and should include the same information as provided on the committee's most recently filed Statement of Organization, Form 410. If the committee has not yet received an identification number from the Secretary of State, enter "pending" in the "I.D. Number" box.

Part 4: Verification

The Form 460 is not considered filed if it is not signed. The committee treasurer or the assistant treasurer named on the committee's Statement of Organization, Form 410, must review the form and complete the verification.

If the committee is sponsored and the sponsor is reporting contributions received through the sponsor or made by the sponsor, the responsible officer of the sponsor must also complete the verification. (See Chapter 1.)

B. Amending Form 460

To change or provide information missing from a previously filed Form 460, complete a new Cover Page and check the "Amendment" box under "Type of Statement." Also check the box showing the type of statement being amended (e.g., preelection, semi-annual) and enter the period covered by the statement being amended. Provide a brief explanation of the amendment and attach the schedule(s) being amended, including the summary page, if applicable. File the amendment with each of the filing officers that received the original filing.

To amend a report filed electronically with the Secretary of State, a complete replacement filing is required.

[Insert Summary Page Example here]

C. Completing the Form 460 Summary Page

The Summary Page provides an overview of the committee's financial activities and must be completed for each filing.

Column A – Total This Period

This column reflects the committee's activity during the current reporting period as reported on Schedules A through I. If there is no activity to report on a particular schedule, enter a zero or the word "none" on the appropriate line in Column A. There should be no blank lines.

Column B – Total to Date

This column reflects the cumulative totals since January 1 of the current year.

Add the totals from Column B of the committee's last campaign statement (if any) to the corresponding amounts in Column A to calculate the Column B totals for the current statement. If this is the first report being filed for a calendar year, only carry forward the amounts for loans and accrued expenses reported on Lines 2, 7, and 9 of Column B from the committee's last statement. (Note: The amounts reported on Lines 2, 7, and 9 of Column B should be the same as the total outstanding amounts disclosed in column (d) of Schedules B, H, and F, respectively, of the current report.)

When loans (Schedules B and H) and accrued expenses (Schedule F) are paid, the figures to be carried forward from the schedules to Lines 2, 7, and 9 of Column A may be negative numbers. In this case, be sure to show them as negative figures on the Summary Page (e.g., with a minus sign (-) or in parentheses), and subtract them when totaling Columns A and B.

Lines 1-5 (Contributions Received)

Collectively, these lines represent contributions received: monetary, nonmonetary, and loans.

Lines 6-11 (Expenditures Made)

Collectively, these lines represent expenditures made: payments, loans made, accrued expenses (bills that are still outstanding), and nonmonetary adjustments.

Lines 12-16 (Current Cash Statement)

The Current Cash Statement section should accurately reflect the committee's cash condition position at the end of the reporting period. If deposits or expenditures have been made that have not cleared the account, the committee's bank balance may not match the ending cash balance.

Beginning and ending cash balances should include the total amount of funds in the committee's campaign checking and savings accounts, plus any investments that can be readily converted to cash, such as certificates of deposit, money market accounts, stocks and bonds, etc.

Line 12 (Beginning Cash Balance)

The beginning cash balance must be the same as the ending cash balance reported on Line 16 of the previously filed statement. If this is the first statement of the calendar year and no previous statement was filed but money was raised or spent in the previous reporting period, enter the amount of cash on hand on December 31. Otherwise, enter zero.

Line 13 (Cash Receipts)

This amount represents the total of all monetary contributions and loans received during the reporting period. Do not include nonmonetary contributions.

Line 14 (Miscellaneous Increases to Cash)

This amount represents increases to the committee's cash position that are not contributions, loans, or repayments of loans made to others. Miscellaneous increases to cash include, for example, interest received to a bank account, refunds received from vendors, and proceeds from the sale of campaign property or auction items. The amount is carried forward from Schedule I, Miscellaneous Increases to Cash.

Together, Lines 13 and 14 reflect all money that has been received during the current reporting period.

Line 15 (Cash Payments)

This figure represents the total amount the committee has spent during the reporting period, including loans made and any accrued expenses paid.

Line 16 (Ending Cash Balance)

This amount represents the total of Lines 12, 13, and 14 **minus** Line 15. The amount reported on Line 16 must equal the total amount of cash the committee has in its campaign bank account **and** the amount of all funds held in interest bearing accounts, certificates of deposit, money market accounts, shares in government bonds, or any other investments that can be readily converted to cash.

If this is a termination statement, Line 16 must be zero.

Line 17 (Loan Guarantees Received)

This figure is carried forward from Schedule B, Part 2. The amount represents the total of all loan guarantees, endorsements, or security received during the period.

Line 18 (Cash Equivalents)

This figure includes investments that cannot be readily converted to cash, as well as the balance due on all outstanding loans the committee has made to others.

Do not include any amount that is invested in interest bearing accounts, certificates of deposit, money market accounts, or any other investments that can be readily converted to cash. These amounts should be part of the ending cash figure reported on Line 16.

Line 19 (Outstanding Debts)

Report the total of all money owed by the committee. Using Column B, add Line 2 (loans received) and Line 9 (accrued expenses).

Lines 20, 21 & 22

These lines are for certain state candidate election committees. General purpose committees do not complete these sections.

Answering Your Questions

- Q. *Is there any circumstance when Line 16, Ending Cash Balance, would show a negative amount?*
- A. If you report a negative amount on Line 16, this means that either you have made a mathematical error in your calculations or the committee's bank account is overdrawn. Rounding off also may cause a small negative in the cash on hand balance.
- Q. *Is there any circumstance when an amount in Column A would be negative?*
- A. Yes. When loans and accrued expenses are paid down, the amount reflected in Column A may be a negative amount.
- Q. *What should I do if I am unable to balance my accounting records by the filing deadline?*
- A. Since the Political Reform Act does not provide for extensions of a filing deadline, complete the statement as accurately as you can and file an amendment with the corrections as soon as possible.
- Q. *What is the common mistake made on the Summary Page?*

- A. Loan repayments are often reported twice, once on Schedule B and again on Schedule E. A loan repayment should only be reported on Schedule B.

D. General Rules for Reporting Contributions Received

Chapter 4 provides detailed information on the following topics and other contribution reporting rules. The information below is only a quick recap of some of the rules.

\$5,000 Contributor – Major Donor Notice

If \$5,000 or more is received from a single source in a calendar year, a “major donor” notice must be sent to the contributor. Do not send the notice if the contribution is from another recipient committee.

Joint Checking Account

If a check is received that is imprinted with two individuals’ names, report the contribution from the person who signed the check. However, if both individuals signed the check, or one has signed the check but both have signed an accompanying document indicating that the contribution is from both, then report 50 percent of the contribution coming from the one individual and 50 percent coming from the other, unless the document attributes specific amounts to each contributor.

Intermediary

If a contribution of \$100 or more is received from someone who is acting as an intermediary, disclose both the true source of the contribution and the intermediary. Failure to report the true source of a contribution is a serious violation of the Political Reform Act.

Aggregating Contributions

There are a variety of situations in which contributions from two or more donors need to be aggregated for reporting purposes. For example, when an individual who is the sole proprietor of a company makes a contribution from company funds and another contribution from personal funds, these contributions are added together for reporting purposes. Additional information and several examples are included in Chapter 4.

Reporting Cumulative Amounts

Contributions from the same source are cumulated from January 1 through December 31.

Returned Contributions

Not Deposited: A contribution need not be reported if it is returned to the contributor prior to depositing it and prior to the closing date of the campaign statement on which it would otherwise be reported. A contribution of \$1,000 or more received within 90 days of an election is not required to be reported if it is not deposited, negotiated, or cashed and is returned to the contributor within 24 hours of receipt.

Deposited, Negotiated, or Returned After Closing Date: Contributions that have been deposited or negotiated, or which were not returned prior to the closing date of the

campaign statement, are reported on Schedule A. If the contribution is returned within 30 days of receipt, and within the reporting period, the return may be shown as a negative figure on Schedule A. Otherwise, report the return of the contribution on Schedule E.

Returned for Insufficient Funds: If a check is returned from the bank for insufficient funds and the committee returns the check to the contributor during the same reporting period, both the receipt and the return of the contribution may be reported on Schedule A with the return shown as a negative amount. Otherwise, the return is reported on Schedule E.

Enforceable Promises

If a contribution is received in the form of an “enforceable promise” that has not been paid during the period, report the contribution as a memo entry on Schedule A

Disclose the date of the promise, all of the required information about the contributor, and the amount promised, but do not include the amount in the summary totals. When the contributor makes the actual payment, fully disclose the contribution on Schedule A, if the payment is made to the committee, or on Schedule C, if the contributor pays the vendor directly, and include the amount in the appropriate summary section.

Installment Payments

Contributions may be received as installment payments made at regular intervals over a period of time via credit card, debit card, wire transfer, or similar electronic means. When a contributor authorizes a series of installment payments, the contribution is reported as received when the committee, or an agent of the committee, obtains possession or control of the funds for each installment payment.

[Example] Sandra Nickel informed your committee that she wanted to contribute a total of \$500, in five payments of \$100 each month from June through October. On the committee’s statement due July 31 covering the period January 1 through June 30; the campaign statement must itemize Sandra and report receipt of \$100 on June 1; the report would not include the future contributions.

Sponsor’s Contributions

If the sponsor of a committee collects contributions for the committee by means of employee payroll deductions or membership dues, the committee must disclose the sponsor as an intermediary for the contributions. Individual employees or members must be itemized on the committee’s reports if an employee or member contributes \$100 or more to the committee in a calendar year.

If the sponsor makes contributions directly to other committees or candidates, the sponsored committee may report the contributions as if they were received and made by the committee. These committee reports must be signed by the treasurer and a responsible officer of the sponsoring organization.

FPPC Regulation 18412 sets out specific rules for how to determine donor reporting. The regulation sets out when specific donors must be disclosed, when the sponsor must be disclosed, and when a particular donor is not required to be disclosed because there is clearly established evidence that the donor did not intend for the sponsor to use the

funds for political purposes. This manual cannot address all of the ways a sponsoring organization may raise and spend funds. If the examples below are not helpful, contact the FPPC for assistance by sending an email with specific facts to advice@fppc.ca.gov.

[Example] A union has a sponsored general purpose committee. The union made a contribution of \$2,500 from its general treasury, which included only income producing funds and not membership dues, directly to a state ballot measure committee. On its next report, the sponsored committee reports: \$2,500 from the Sponsor on Schedule A and \$2,500 on Schedules D and E.

Later, the same union made a contribution of \$10,000 to a state ballot measure committee from its general treasury from an account that held membership dues. The union had made a \$5,000 contribution in the previous year from that account. The Form 460 must identify contributors to the membership dues fund that account for the \$10,000 using a last in, first out accounting method. For example, if the most recent donation to the membership dues account was a \$2,000 payment from donor A; donor A's name would be identified on Schedule A. On the other hand, using the LIFO method to account for the \$10,000, if all of the most recent donor's payments were under \$100; no donor would be disclosed.

Contribution Limits

Chapter 5 contains detailed information about the state contribution limits and the requirement for a committee to maintain two separate bank accounts if contributions over the applicable limit are received. A general purpose committee, including a small contributor committee and a political party committee, that makes contributions to state candidates and state officeholders, has a limit on how much it may accept from a single source in a calendar year.

A general purpose committee that pays for certain communications that identify state candidates may also be subject to the contribution limits even if it does not make contributions to state candidates.

Donor Disclosure for Multi-Purpose Organizations

A multi-purpose organization that qualifies as a recipient committee (see Chapter 1) must identify its funding sources for contributions and independent expenditures made. Regulation 18412 requires that the donors are disclosed as follows:

1. **Donors Giving for Political Purposes.** All payments for which the donor has expressly given for political purposes must be reported in full. State the full amount given and identifying information for all donors who make payments to the organization for political purposes in California.
2. **LIFO Donors.** Report donors using a "last in, first out" accounting method to identify donors when the funds described above do not cover the entire amount of the contribution or independent expenditure made by the organization, until a sufficient number of donors have been identified as contributors to account for the contribution or independent expenditure. Donor identification starts with the date the political expenditure was made. Only donors of \$100 or more in a calendar year must be itemized.

3. **Organization Itself.** If these two classes of contributors do not account for the full balance of the group's expenditures, the organization will identify itself as a contributor of the remaining balance.

[Quick Tip] Chapter 1 includes several examples of how to report donors to a multi-purpose organization that qualifies as a recipient committee.

[Quick Tip] An organization may not knowingly conceal the name of a donor with the purpose of depriving the public of the information. Records of all receipts and expenditures must be retained by the organization for audit purposes.

Reporting Tips:

- **Foundation or Restricted Funds.** An organization need not identify a donor as a "contributor" if the organization has evidence clearly establishing that the particular donor did not intend for the donation to be used for political purposes and the organization did not use the funds for such purposes.
- **Income Producing Funds.** An organization that uses funds gained through "income producing" activities for all of its political expenditures do not register as a recipient committee because its income was not received from "contributors". However, if the organization makes contributions of \$10,000 or more or makes independent expenditures of \$1,000 or more, the organization may qualify as a "major donor committee" or an "independent expenditure committee." See Chapter 1.
- **Federal PACs.** A federal campaign committee that is itemizing contributions at \$200 on its monthly Federal Election Commission reports does not have to re-itemize contributions for its reports filed with the Secretary of State; it may refer to its federal reports (listing the committee's name and Federal ID #) on Schedule A.

[Quick Tip] Multi-purpose organizations are subject to the same rules that apply to other committees, such as contribution limits for contributions to state candidates. (See Chapter 5.)

Ballot Measure Expenditures: A multi-purpose organization that must identify donors pursuant to FPPC regulation 18412 may qualify as a primarily formed ballot measure committee if its expenditures are for a single ballot measure or more than one ballot measure that will be voted upon in a single election. Refer to FPPC Regulation 18247.5 for the rules on how to determine if the organization is considered a primarily formed ballot measure committee or a general purpose committee. Ballot measure committees use FPPC Campaign Disclosure Manual 3 for reporting guidance.

Event-Based Independent Expenditure Reporting: As reviewed in Chapter 11, certain 501(c)(3) and 501(c)(4) organizations only occasionally making independent expenditures to support or oppose ballot measures may qualify for simplified reporting pursuant to Regulation 18413.

[Insert Form 460, Schedule A Example here]

E. Completing the Form 460 Schedule A

Monetary Contributions Received

Report monetary contributions the committee has received on Schedule A, except for loans (reported on Schedule B). Receipt of repayments for loans made is reported on Schedule H, and miscellaneous receipts are reported on Schedule I.

Date Received

List the date the committee obtained possession or control of the contribution. For instance, in the case of a check, report the date the check was received, which may differ from the date the check was written or the date the check was deposited.

For contributions received by electronic transaction (such as credit card, debit account, or wire transfer, including those received over the Internet), report the date the committee received or had control of the credit/debit account information or other payment information, or the date the committee received or had control of the funds, whichever is earlier.

A contribution collected by means of payroll deductions or membership dues by a membership organization for its sponsored committee is received by the committee on the earlier of the following:

- The date the committee obtains actual possession or control of the contribution; or
- Within 60 days after the receipt of the payment by the committee's sponsor.

Contributor Information

Itemize persons and organizations that have contributed to the committee a cumulative amount of \$100 or more during the calendar year. Provide each contributor's name, street address, city, state, and zip code. Remember to maintain the names and addresses of contributors of \$25 or more in your records. (See Chapter 3.)

[Quick Tip] Some local agencies require itemization at less than \$100. Check with the county elections office or the city clerk.

Contributor Codes

For each itemized contributor, check the box indicating whether the contributor is an individual, a committee, "other" (such as a business entity), or a political party. (The code "SCC" is for small contributor committees.)

Occupation and Employer, I.D. Number, and Intermediary Information

If the contributor is an individual, provide the individual's occupation and employer. If the contributor is self-employed, provide the name of the business. Do not leave this blank. If this information has not yet been obtained, enter "requested" or similar language in this column and amend Schedule A when the information has been received.

As noted in Chapter 3, a contribution of \$100 or more must be returned if the contributor's name, street address, and, if the contributor is an individual, his or her occupation and employer are not in the committee's records within 60 days from receipt of the contribution.

If the contributor is a recipient committee, report that committee's identification number. If an identification number has not yet been assigned or is unknown, report the full name, street address, city, state, and zip code of that committee's treasurer.

If a contribution is received through an intermediary, provide the name, street address, city, state, zip code, and, if applicable, occupation, and employer of both the intermediary and the true source of the contribution. (See Chapter 4.)

Amount Received This Period

Report the amount of the contribution.

Cumulative to Date

The amount listed in the "Cumulative to Date—Calendar Year" column will differ from the "Amount Received This Period" column if the committee has received other contributions, including nonmonetary contributions, loans, or loan guarantees from this same source during the calendar year.

Once a contributor has contributed \$100 in a calendar year, all future contributions received from that contributor must be itemized, regardless of the amount.

Per Election to Date

This column does not apply to general purpose committees, unless otherwise required by a local ordinance.

Schedule A Summary

Complete the summary section of each schedule after completion of the corresponding schedule. Each summary provides detailed instructions for every line.

[Include Form 460, Schedule B, Part 1 Example here]

F. Completing the Form 460 Schedule B – Part 1

Loans Received

Schedule B is for reporting activity on loans received by the committee.

Outstanding loans are reported on each campaign statement until they are paid off or forgiven. Schedule B has two parts:

- Part 1 lists loans received or outstanding, and the repayment, forgiveness, or payment by a third party of a loan previously received.
- Part 2 lists information on loan guarantors.

Lender Information

Provide the name, street address, city, state, and zip code of a lender of \$100 or more.

Financial Institution

If a financial institution, such as a bank, has loaned the committee money or the committee has drawn upon a line of credit, report the institution as the lender by listing its name, street address, city, state, and zip code.

Individual

If the lender is an individual, also provide the individual's occupation and employer, or, if the contributor is self-employed, provide the name of the business. Do not leave this column blank. If this information has not yet been obtained, enter "requested" or similar language in the column and amend Schedule B, Part 1, when the information is received. (See Chapter 3 as contributions may need to be returned if the name, address, occupation, or employer information is missing.)

Contributor Codes

For each itemized contributor, check the box indicating whether the contributor is an individual, a committee, "other" (such as a business entity), or a political party. (The code "SCC" is for small contributor committees.)

[Quick Tip] Report each loan separately, even if the committee has received more than one loan from a single source.

a) Outstanding Balance Beginning This Period

Enter the outstanding loan balance at the beginning of this reporting period (Column (d) of the last report filed). If the loan was received this period, enter zero.

(b) Amount Received This Period

Enter the amount received from the lender during this reporting period. If this loan was received in a previous reporting period, enter zero.

(c) Amount Paid or Forgiven This Period

Enter the amount of any reduction of the loan during this reporting period. Check the appropriate box to indicate whether the reduction was a payment or forgiveness. When the lender forgives all or part of a loan, or a third party makes a payment on a loan, also report the lender or third party on Schedule A. Enter zero if no payments were made this reporting period.

(d) Outstanding Balance at Close of This Period

Enter the outstanding balance of the loan at the close of this reporting period. Enter the due date, if any.

(e) Interest Paid This Period

Enter the interest rate and the amount of interest paid on the loan(s) during this reporting period. If the lender is not charging interest, indicate "none" on the "interest rate" line. Interest paid is reported separately from payments made on the loan principal. Interest payments are also transferred to the Schedule E Summary.

(f) Original Amount of Loan

Enter the original amount of the loan and the date it was received. If this is the first time the loan is being reported, this is the same amount as reported in Column (b).

(g) Cumulative Contributions to Date

Enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) received from the lender during the calendar year covered by the statement. Generally, the “per election” line is not applicable to general purpose ballot measure committees; however, local committees should check with the local filing officer to determine if there is a local ordinance that may require the “per election” information.

[Quick Tip] A loan is a contribution unless it is received from a commercial lending institution in the ordinary course of business. It is not necessary to disclose cumulative amounts for loans that are not contributions.

Schedule B Summary

As loans are paid, Line 3 of the summary section of Schedule B will eventually be a negative amount. When transferring a negative figure from Line 3 to the Summary Page, Column A, Line 2, be sure to **subtract** the amount from the previous report, Column B, Line 2, to determine the figure for this report’s Column B, Line 2.

[Insert Form 460, Schedule B, Part 2 Example here]

G. Completing the Form 460 Schedule B – Part 2

Loan Guarantors

Guarantor Information

If someone guarantees, co-signs, endorses, or provides security for a loan of \$100 or more, enter the name and address of the guarantor and, if the guarantor is an individual, his or her occupation and employer, or, if self-employed, the name of the business.

Contributor Codes

For each itemized contributor, check the box indicating whether the contributor is an individual, a committee, “other” (such as a business entity), or a political party. (The code “SCC” is for small contributor committees.)

Loan

Enter the name of the lender or the entity at which a line of credit was established and the date of the loan or the date the line of credit was established.

Amount Guaranteed This Period

Enter the amount guaranteed this period, if applicable. For lines of credit, enter the full amount established or secured by the guarantor during the period. (Report amounts **drawn** on a line of credit on Schedule B – Part 1.)

Cumulative to Date

Enter the cumulative amount of contributions (including loans, including loan guarantees, monetary and nonmonetary contributions) received from the guarantor during the calendar year covered by the statement.

Balance Outstanding to Date

Report the outstanding balance for which the guarantor is liable at the close of this reporting period.

[Quick Tip] Loan guarantees are not included in the Schedule B Summary, but are carried forward in a lump sum to Line 17 of the Summary Page.

[Insert Form 460, Schedule C Example here]

H. Completing the Form 460 Schedule C

Nonmonetary Contributions Received

Use Schedule C to report nonmonetary contributions received by the committee. Nonmonetary contributions are goods or services provided to the committee for which it does not pay the fair market value.

The fair market value is the amount the committee would pay for the goods or services on the open market – whatever it would cost any member of the general public to obtain the same good or service. (See Chapter 4 for assistance in determining the fair market value of a nonmonetary contribution.)

[Example] Seaside TV Sales donated a television to your committee. The cost to Seaside TV for the television was \$500. Because it would have cost your committee \$1,000 to purchase the TV at fair market value, the nonmonetary contribution from Seaside TV Sales is \$1,000.

Examples of Nonmonetary Contributions

- Items donated for a garage sale, raffle, or auction.
- Polling.
- Signs, postage, and printing.
- Food and entertainment provided for a fundraiser.
- Discounts or rebates that are not extended to the general public.
- Mailing lists, mailings, and other advertising.
- Compensation paid by an employer to an employee who spends more than 10 percent of his or her compensated time in a calendar month working on behalf of a committee. Compensation includes gross wages paid and any benefits in lieu of wages, such as stock options or an annuity purchase. Compensation does not include routine fringe benefits, such as the employer's payments to a health plan or payroll taxes.
- Forgiveness of an accrued expense by the creditor
- Use of an office, automobile, or airplane
- Mail production, postage, printing, shipping, data and graphics.
- Phone banking and public communications.
- Media consulting services
- Video services.
- Staff time and expenses.
- Facebook ads, banner ads.

- Precinct walking and door hangers.
- Food for volunteers.
- Slate mailer/slate cards.
- Campaign materials, flyers, for rally, buttons, t-shirts.

(See Chapter 4 for exceptions, such as volunteer personal services, home/office fundraisers, and member communications.)

Administrative Services Provided by Committee Sponsors

If the committee is sponsored and the sponsor pays for the establishment and administrative costs of the committee, the committee is required to report the payments on Schedule C, but they are not considered contributions to the committee. Report the payments in the “Description of Goods or Services” column, but do not include the value of the services in the “Amount/Fair Market Value” column.

“Establishment and administration” of a sponsored committee means the cost of office space, phones, salaries, utilities, supplies, legal and accounting fees, and other expenses incurred in setting up and running a sponsored committee. In addition, bank fees (including fees for monthly services, purchasing/printing checks, cashier’s checks and money orders, overdraft, stop payments) and third party vendor fees, such as internet account fees and merchant account fees, are considered payments for the establishment and administration of its sponsored committee.

Other costs paid by a sponsoring organization are contributions to the committee (e.g., costs of raising funds for the committee, costs of reviewing a communication to determine the advertisement disclosure requirements, petition gathering) and are subject to regular reporting.

[Example] An association forms a committee. The association collects contributions from its members, transmits them to the committee, and provides the committee with office space, and staff to prepare FPCC reports. The committee reports the administrative services from the association in the “Description of Goods or Services” column on Schedule C of its campaign reports.

The association pays for the cost of a special mailing to its members to raise additional funds to support the committee. The association’s payments are nonmonetary contributions and the amount, if over \$100, is recorded on Schedule C in the field titled: Amount/Fair Market Value.

Date Received

A nonmonetary contribution is received on the earlier of the following:

- The date funds are spent by the contributor the goods or services
- The date the committee or an agent of the committee obtains possession or control of the goods or services
- The date the committee receives the benefit of the expenditure

[Example] A third party, in coordination with your committee, prepared a fundraising mailer for your committee. The mailer was delivered to your committee on February 22

and the third party stated the bill was paid on March 15. Your committee received the nonmonetary contribution on February 22.

Contributor Information

Itemize persons who have contributed to the committee a cumulative amount of \$100 or more during the calendar year. Provide each contributor's name, street address, city, state, and zip code. Remember to maintain the names and addresses of contributors of \$25 or more in your records. (See Chapter 3.)

Contributor Codes

For each itemized contributor, check the box indicating whether the contributor is an individual, a committee, "other" (such as a business entity), or a political party. (The code "SCC" is for small contributor committees.)

Occupation and Employer Information

If the contributor is an individual, provide the individual's occupation and employer. If the contributor is self-employed, provide the name of the business. Do not leave this blank. If this information has not yet been obtained, enter "requested" or similar language in the column and amend Schedule C when the information has been received.

Description of Goods or Services

Provide a brief description of the goods or services received.

Amount/Fair Market Value

Report the value of the nonmonetary contribution received.

[Quick Tip] Chapter 4 provides examples on how to value nonmonetary contributions.

Cumulative to Date

Enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) received from the contributor during the calendar year covered by the statement.

Schedule C Summary

The total of nonmonetary contributions reported on Line 3, Schedule C Summary, is reported on the Form 460 Summary Page as both a contribution (Line 4, Column A) and as an expenditure (Line 10, Column A), because the committee would otherwise have had to pay for the good or services donated.

[Insert Form 460, Schedule D Example (two pages) here]

I. General Rules for Reporting Expenditures Supporting/Opposing Other Candidates, Measures, and Committees on Schedule D

Schedule D is a summary of payments reported on Schedules E, F, and H that are contributions or independent expenditures to support or oppose candidates, measures, and other committees, including:

- A monetary contribution or loan to a candidate or committee;
- A payment to a vendor for goods or services for a candidate or committee (i.e., a nonmonetary contribution);
- A donation to a candidate or committee of goods on hand, or the payment of salary or expenses for a campaign employee who spends more than 10 percent of his or her compensated time in a calendar month working for another candidate or committee; and
- A payment for a communication (e.g., a mailing, billboard, radio ad) that expressly advocates the election/passage or defeat of a clearly identified candidate or ballot measure, but the payment is not made to, or at the behest of, the candidate or ballot measure committee.

J. Completing the Form 460 Schedule D

Summary of Expenditures Supporting/Opposing Other Candidates, Measures and Committees

Date

Report the date the contribution or independent expenditure was made. A monetary contribution is made on the date it is mailed, delivered, or otherwise transmitted to the committee or an agent of the committee. A nonmonetary contribution is made on the earlier of the following:

- The date funds were expended for the goods or services;
- The date the committee or agent of the committee obtained possession or control of the goods or services;
- The date the committee otherwise received the benefit of the expenditure.

An independent expenditure is made on the earlier of the following:

- The date the payment is made; or
- The date the committee making the payment receives consideration in exchange for the expenditure(s) (e.g., when the advertisement appears).

For purposes of reporting independent expenditures on Schedule D, the date an independent expenditure is made is the date the communication is mailed, broadcast, or otherwise disseminated to the public. If payments are made in one reporting period for a communication that is disseminated to the public during a subsequent reporting period, report the payments on Schedule E for the period in which they were made and complete Schedule D when the communication is disseminated. A payment for a communication that is never disseminated to the public is not an independent expenditure and need not be reported on Schedule D. Report the payment on Schedule E for the period in which it was made.

Candidate and Office, Measure and Jurisdiction, or Committee

Contributions: For each contribution of \$100 or more, disclose the name of the committee that received the contribution. Disclose the name of the candidate or measure if a committee is not formed.

Independent Expenditures: For each independent expenditure of \$100 or more, disclose the name of the candidate or measure. Include the office sought and district or the measure's number/letter, if assigned, and the jurisdiction. If a number/letter is not assigned to a measure, include the measure's title. Check the support or oppose box.

A contribution made to a primarily formed committee making independent expenditures to oppose a candidate would be identified as a contribution in support of the committee. For example a contribution to: Committee for School Reform opposed to Smith for Governor 2018; the support box and the monetary contribution box would be marked.

State Committees: A committee may make contributions to a state candidate for both the primary and general election before the primary. If the candidate loses in the primary, the candidate, after deducting expenses, must return general contributions. A returned contribution is reported on Schedule I. Do not amend the earlier report that identified the original contribution.

Type of Payment

Check one of the boxes indicating the type of payment. If the payment is a nonmonetary contribution, provide a description of the payment. If goods on hand are contributed to another committee (e.g., paper, copier), describe the goods or services in the "Description" column, and disclose the fair market value of the contribution.

Amount This Period

Provide the amount(s) of contributions or independent expenditures made this period relative to each committee.

[Example] The committee made a \$500 contribution to Committee to Support Bike Lanes, Yes on Measure C. In addition to reporting the contribution on Schedule D, the expenditure is also reported on Schedule E.

Cumulative to Date Calendar Year

Report the cumulative amount contributed to or expended to support or oppose each itemized committee since January 1 of the current calendar year.

If contributions are made to more than one committee controlled by the same candidate, report the total amount contributed to each committee separately. In addition, do not cumulate independent expenditures and contributions made to support a candidate.

In addition, there are situations in which contributions made by two or more committees must be aggregated for purposes of reporting cumulative amounts, and for purposes of state contribution limits.

FPPC Regulation 18428 requires committees to identify on its report contributions and independent expenditures that are subject to aggregation. This should be identified on Schedule D by listing the committee ID number of any affiliated committees that make a contribution or independent expenditure to the same committee. (See Chapter 4 for detailed information about aggregating contributions.)

[Example] Your organization has two general purpose committees, both are state committees and are directed and controlled by the same board of directors. One is a small contributor committee and the other committee makes contributions to state

candidates. If each committee makes a contribution to the Governor's 2014 election committee of \$5,000 during the first semi-annual reporting period, each committee would report \$5,000 in the "Amount this Period" column, and \$10,000 in the "Cumulative to Date Calendar Year" column.

[Quick Tip] Regulation 18247.5 addresses when a committee is primarily formed. When reviewing payments, do not include contributions made to other general purpose committees. A general purpose committee that makes payments to a particular candidate or measure, or a group of candidates or measures in the same election, and such payments account for more than 70 percent of its total contributions and expenditures, may become a primarily formed committee.

Per Election to Date

If a contribution is made to a candidate that is subject to state contribution limits (or if required by local ordinance), disclose the total amount contributed to the candidate in connection with each limitation cycle and identify the election year. The primary and general elections are separate elections. For example, a \$4,100 contribution to a candidate for the primary election in 2014 would be disclosed as "\$4,100 P-14."

"Per Election to Date" Column			
Limitation Cycle		Year of Election	
Primary	P	2014	14
General	G	2015	15
Special	S	2016	16
Runoff	R	2017	17

For purposes of contribution limits, contributions to a committee established by a state officeholder for officeholder expenses must be cumulated with contributions to any committee controlled by the officeholder for a future election.

[Example] Your committee makes a contribution of \$1,000 to a Senator's 2012 election committee to help retire debt, a contribution of \$1,000 to the member's officeholder account, and a contribution of \$1,000 to the member's 2018 election committee for Secretary of State. For the "per election to date" total, the contributions to the officeholder account must be aggregated with the contribution to the 2018 committee so that the "per election to date" total will be \$2,000.

K. General Rules for Reporting Payments Made and Accrued Expenses (Unpaid Bills) on Schedule E and Schedule F

An expenditure is "made" on the date the payment is made or the date the goods or services are received, whichever is earlier. Expenditures of campaign funds must have a political, legislative, or governmental purpose. (See Chapter 7.)

Use Schedule E to report money spent by the committee during the reporting period. Do not use Schedule E to report the repayment of loans received; use Schedule B, Part 1 instead. Also, do not use Schedule E when reporting loans made to other candidates, officeholders, and committees; use Schedule H instead.

Use Schedule F to report amounts owed by the committee for goods or services received but not paid for by the end of the reporting period.

[Example] During October and November, the committee:

- (a) Paid a deposit on a room for a fundraiser to be held January 10;*
- (b) Ordered and received the fundraiser invitations for which you were billed but had not made a payment by December 31; and*
- (c) Ordered, but did not receive, flowers for the fundraiser for which you will be billed at the end of January.*

On your semi-annual statement covering the period ending December 31, report the payment for the room deposit on Schedule E. Because you received the invitations but had not paid for them by December 31, disclose the outstanding amount on Schedule F. The cost of the flowers will not be reported until the next reporting period because you did not pay for nor did you receive the flowers during the period covered by the statement.

Unpaid administrative overhead expenses of the committee, such as rent, utilities, phones, or employee salaries, need not be reported on Schedule F if the committee has not received a bill in the normal course of business or if the due date for the payment is after the closing date of the statement. Regular administrative overhead expenses do not include contracts for services such as accounting, legal, campaign consulting, and public relations. (See the Schedule C instructions earlier in this chapter if your committee's sponsor provides administrative services to the committee.)

[Example] On June 15, your committee received two bills for June services. One bill was from a printing company and the other was for office rent. The due date for both invoices is July 15. If, on June 30, the committee has not paid the two bills, the bill from the printing company is reported on Schedule F as an accrued expense on your semi-annual statement; the rent bill, however, is not.

Information Required

Itemize each payment or accrued expense of \$100 or more to a single payee, and any payments totaling \$100 or more for a single product or service made during the period.

If the committee has entered into an agreement to make payments over time for a product or service, other than general administrative expenses such as rent and utilities, the unpaid balance may be reportable on Schedule F as an accrued expense.

Payments for Online Communications

As reviewed in Chapter 9, the Act requires specific disclaimers on advertisements so that the electorate has the information it needs to weigh the information it receives, whether from a digital or other source. FPPC Regulation 18421.5 requires a committee to report certain information when it pays an individual, either directly or through a third party, to create content for a digital platform unless the content provides a clear and conspicuous statement that a committee paid the author for the content.

Schedule E or F must identify such payments using the code "WEB." In the description field the following must be identified: the amount of the payment, the payee, the name

of the individual providing content, and the name of the website or the URL on which the communication is published in the first instance.

The regulation applies when a campaign committee pays someone to provide favorable or unfavorable content on an Internet website (other than the committee's own website) about a candidate or ballot measure. It covers such content as a post for a blog, a video produced and posted online, and content created for social media. The regulation requires a campaign to disclose where the initial posting is made (on a supportive blog, for example), but does not require the campaign to know where the content is shared or passed on to after that initial post.

Savings Accounts/Certificates of Deposit/Money Market Accounts

Do not report the transfer of campaign funds into a savings account, certificate of deposit, money market account, or the purchase of any other asset that can be readily converted to cash on Schedule E. Report these amounts as part of cash on hand on the Summary Page, Line 16.

Subvendor Payments (often reported on Schedule G)

Whenever an agent or independent contractor (such as a consulting firm or advertising agency) makes an expenditure, or incurs a debt, of \$500 or more on behalf of the committee, the expenditure must be reported in the same detail as if it had been made directly by the committee. Regulation 18431 lists the commonly known "subvendor payments." Examples of subvendor payments that must be itemized include:

- Development of campaign strategy;
- Media placements – television, radio, cable, digital (specifically listing the TV or radio stations);
- Commissions paid to media firms for media placements;
- Travel expenses, such as a commercial airline or hotel paid \$500 or more
- Print or online advertisements;
- Polling and survey research;
- Talent and media services, production costs;
- Voter canvas program, including individuals paid \$500 or more.
- Robocalls;
- Printing and literature; and
- Design or management of campaign literature or advertising.

Agents and independent contractors must provide the committee with the required payment information **no later than** three working days prior to when the Form 460 campaign statement must be filed.

Expenditures made by the agent or independent contractor for its own overhead and operating expenses need not be itemized. The committee also must obtain and keep receipts, invoices, and other documentation of subvendor payments. (See Chapter 3.)

In many cases, funds paid to an agent or independent contractor in one reporting period will not be used by the agent or contractor until a subsequent reporting period. Report payments to the agent/contractor on Schedule E of the campaign statement covering the

period in which the payment was made. When the agent/contractor spends the money, report subvendor payments on the campaign statement covering the period in which the agent/contractor made the expenditures; itemize payments made by the agent/contractor of \$500 or more.

Subvendor payments are most commonly reported on Schedule G, but may be reported on Schedule E or F along with the payment made or owed to the agent/contractor. When itemizing subvendor payments on Schedule E or F, do not include the payments in the “Amount Paid” column, as this will inflate expenditure totals.

[Examples] A committee paid a volunteer \$665 for fundraiser expenses of \$535 worth of food and \$130 for decorations. Itemize the volunteer’s name and address on Schedule E, mark “FND” and the amount being reimbursed: \$665. On Schedule E or G, list the name and address of the vendors, enter the code FND and the amount paid to each vendor.

A committee pays a consultant \$80,000 to design an advertising campaign. The consultant buys air time on three TV stations. On Schedule E, the committee will show a payment of \$80,000 to the consultant. On Schedule E or G the committee will itemize each station, noting the amount each station received.

Credit Card Payments

When reporting payments to a credit card company, report the company’s name, street address, city, state, zip code, and the amount of payment. In addition, provide the name, street address, city, state, and zip code of any vendor that received \$100 or more, the amount paid to each vendor itemized, and a code or description of the payment.

If a payment on the credit card has not been made by the end of the reporting period, or only partial payment has been made, report the amount outstanding to the credit card company on Schedule F. Payments to the credit card company should be reflected on Schedule E, when payments are made, and Schedule F, when there is a balance still owing at the end of the reporting period. Vendors are not required to be listed more than one time, on either Schedule E or Schedule F. Schedule G may also be used to disclose vendors.

[Example] The treasurer of a committee paid a printer with the committee’s credit card on December 28. Since the committee did not make a payment on the credit card by December 31, the end of the reporting period, the amount owed is reported on Schedule F on the committee’s semi-annual statement.

Contingency Payments

If the committee has entered into an agreement to pay a contingency fee, such as a bonus to a consultant if the campaign is successful, report the fee amount on Schedule F **only** if it is outstanding at the end of the campaign. The fee is not required to be reported as an accrued expense until it is due.

[Insert Form 460, Schedule E (1 page) Example here]

L. Completing the Form 460 Schedule E

Payments Made

Name and Address of Payee

Itemize each payment of \$100 or more to a single payee during the reporting period, and any payments totaling \$100 or more made during the period for a single product or service. Include the name, street address, city, state, and zip code of the recipient. Do not use post office box numbers when reporting the address of a payee or creditor.

Code or Description of Payment

When itemizing payments, provide either a code or a description of the payment. (Expenditure codes are explained in detail in the Form 460, Schedule E instructions.) If none of the codes fully explains the expenditure, leave the code column blank and provide a brief description of the goods or services purchased.

If several expenditures are made to one vendor during the same reporting period, all of the payments to the vendor may be reported in a single record. When coding the expenditures, use the code that represents the largest share of the expenditures, and the description field for the other codes or a description. Alternatively, an expenditure may be reported separately by category.

For expenditures that are nonmonetary contributions to or independent expenditures to support or oppose a candidate or ballot measure, provide the applicable code “CTB” or “IND” and disclose the name of the candidate or committee that received the contribution, or the name of the candidate or ballot measure supported or opposed by the independent expenditure. Also give a brief description of the contribution or independent expenditure. These expenditures also must be disclosed on Schedule D.

Payment of Accrued Expenses

When paying accrued expenses previously reported on Schedule F, report all payments on Schedule E, itemizing each payment of \$100 or more. Subvendor information is only required to be reported once, and does not need to be reitemized on Schedule E if it was disclosed on Schedule F of a previous report.

[Example] A committee pays the balance of its credit card. That payment is required to be reported on Schedule E and F. A specific vendor, having already been identified on a previous report on Schedule F as an accrued expense is not reported.

Schedule E Summary

The total amount of expenditures is reported on Line 4 of the summary section of Schedule E and on the Form 460 Summary Page, Column A, Line 6. If the committee is paying interest on an outstanding loan, in addition to reporting the amount on Schedule B, Part 1, Column (e), also report the amount on Line 3 of the summary section of Schedule E.

[Insert Form 460, Schedule F Example here]

M. Completing the Form 460 Schedule F

Accrued Expenses (Unpaid Bills)

Name and Address of Creditor

Itemize each accrued expense of \$100 or more owed to a single creditor. Provide the name, street address, city, state, and zip code of the creditor. Do not use post office box numbers.

[QuickTip] Continue to list an unpaid debt until it is paid off. Subvendor payments are required to be reported only once.

Code or Description of Payment

When itemizing accrued expenses, provide either a code or a description of the outstanding payment. (Expenditure codes are explained in detail in the Form 460, Schedule E instructions.) If none of the codes listed on Schedule F fully explains the outstanding payment, leave the code column blank and provide a brief description of the goods or services.

If several accrued expenses are owed to one vendor during the same reporting period, all of the accrued expenses to the vendor may be reported in a single record. When coding accrued expenses, use the code that represents the largest share of the accrued expenses, and the description field for the other codes or a description. Alternatively, each expenditure may be reported separately by category.

For accrued expenses in connection with nonmonetary contributions to or independent expenditures to support or oppose a candidate or ballot measure, provide the applicable code "CTB" or "IND" and disclose the name of the candidate or committee that received the contribution, or the name of the candidate or ballot measure supported or opposed by the independent expenditure. Also give a brief description of the contribution or independent expenditure. These expenditures also must be disclosed on Schedule D.

Amount Columns

For each itemized accrued expense, report any outstanding balance remaining for the accrued expense from the previous period in column (a), the amount of new accrued expenses incurred this period in column (b), the amount paid this period in column (c), and any outstanding balance at the close of the period in column (d).

When payments on accrued expenses are made, in addition to itemizing payments of \$100 or more on Schedule F, itemize the payments on **Schedule E**. Include unitemized payments on accrued expenses on Line 2 of the summary section of Schedule E.

Estimating Accrued Expenses

If the exact amount of a debt or obligation is unknown, an estimate may be reported. When the exact amount is known, the committee must 1) amend the statement on which the estimated amount was reported; or 2) make an adjustment on the next campaign statement by showing the difference between the estimated amount and the actual amount in column (b), Amount Incurred This Period. If the actual amount is less than the estimate, the amount listed in column (b) should be a negative number and subtracted

from the totals. When reporting estimated amounts or corrections to estimated amounts, note that fact on the campaign statement.

[Example] On its second preelection statement, a committee reported an estimated accrued expense of \$5,000 owed to Reliable Printing. An invoice was received during the next reporting period showing the actual amount owed as \$4,500. On Schedule F, column (a) of its next statement, the committee will report an outstanding accrued expense of \$5,000. In column (b), the amount incurred this period will be a negative \$500. The committee paid the entire bill and therefore will report \$4,500 as paid this period in column (c), with a zero balance in column (d).

Forgiven Accrued Expenses or Third Party Payments

If a creditor reduces or forgives a debt previously reported on Schedule F, or if another person pays a debt for the committee:

- Indicate that the debt was forgiven, reduced, or paid by a third party and enter “See Schedule C” in the “Description of Payment” column. Also report the creditor/payor and the amount as a nonmonetary contribution on Schedule C.
- Report the amount forgiven, reduced, or paid by a third party in the “Amount Paid This Period” column and indicate that it was a forgiveness or third party payment or report the amount as a negative number in the “Amount Incurred This Period” column. Do not report the amount on Schedule E.

If the decision to forgive or reduce the debt is based on a bona fide business judgment that all or part of the debt is uncollectible, depending on the facts, the creditor may not be making a contribution. The FPPC may be contacted for assistance.

Outstanding Accrued Expenses

Line 9, Column B of the Summary Page should reflect the total of all outstanding accrued expenses. Accrued expenses are carried forward on future statements until paid.

Schedule F Summary

Line 3 of the summary section of Schedule F will be a negative amount when payments on accrued expenses are more than the amount of new accrued expenses. Transfer the amount to the Summary Page, Column A, Line 9 as a negative amount and subtract it from the figure in Column B of the previous campaign statement to determine the figure for Column B, Line 9 of this statement.

Answering Your Questions

Q. When are unpaid bills reportable as accrued expenses?

A. The basic rule is that you must report an accrued expense any time you have received goods or services but have not paid for them by the end of the reporting period.

Q. What if I have not received an invoice from the vendor yet?

A. If you have received the goods or services, you must report the accrued expense even if you have not received an invoice. If you do not know the exact amount, you

may estimate the amount of the expense. When reporting an estimate, note that fact on Schedule F.

- Q. *We have a contract to pay our campaign consultant \$1,000 per month. If the closing date of the campaign statement falls during the middle of the month, say March 17, must we report an accrued expense for the period March 1 through March 17?*
- A. No. When you have agreed in writing to pay a contractor a set amount at regular intervals, it is not necessary to prorate the amount owed to the contractor if the reporting period closes before the end of the contract period.

[Insert Form 460, Schedule G Example here]

N. Schedule G – Payments Made by an Agent or Independent Contractor

Use Schedule G to report payments made on behalf of the committee by agents (such as campaign workers) and independent contractors (such as a consulting firm or an advertising agency). This schedule may be used in lieu of itemizing these amounts on Schedules E and F. Itemize payments of \$500 or more made by the agent or independent contractor. Provide the name, street address, city, state, and zip code of the payee. Do not use post office box numbers. Do not transfer Schedule G totals to any other schedule or to the Summary Page.

[Insert Form 460, Schedule H Example here]

O. General Rules for Reporting Loans Made to Others on Schedule H

Schedule H is for reporting loans made by the committee. Outstanding loans are reported on each campaign statement until they are paid.

Generally, campaign funds may be used to make loans to candidates, officeholders, or bona fide charitable, educational, civic, religious, or similar tax-exempt non-profit organizations. A substantial part of the proceeds may not have a material financial effect on the committee treasurer, or any individual with authority to approve the expenditure of campaign funds, or a member of his or her immediate family. The loan must also bear a reasonable relationship to a political, legislative, or governmental purpose. Loans made to state candidate election committees are subject to state contribution limits.

[Quick Tip] Loans may not be made with committee funds to the sponsor of the committee unless the funds are used for a political, legislative, or governmental purpose.

P. Completing the Form 460 Schedule H

Recipient Information

For each loan of \$100 or more that was made or was outstanding during the reporting period, disclose the recipient's name and street address, city, state, and zip code and, if the recipient is an individual, his or her occupation and employer or, if self-employed, the name of the business.

Outstanding Balance Beginning This Period

Enter the outstanding loan balance at the beginning of this reporting period (Column (d) of the last report filed). If the loan was received this period, Column (a) should be left blank.

Amount Loaned This Period

Enter the amount loaned to the recipient during this reporting period. If this loan was made in a previous reporting period, Column (b) should be left blank.

Repayment or Forgiveness This Period

Enter the amount of any reduction of the loan during this reporting period. Indicate whether the loan was paid or forgiven. If the committee forgives a loan, also report the transaction on Schedule E and if the recipient of the loan is a candidate or committee, report the forgiveness as a contribution on Schedule D.

Outstanding Balance at Close of This Period

Enter the outstanding balance of the loan at the close of this reporting period. Enter the due date, if any.

Interest Received

Enter the interest rate and amount of interest received on the loan during this reporting period. Interest received is reported separately from payments received on the loan principal. Interest received is also transferred to the Schedule I summary.

Original Amount of Loan

Enter the original amount of the loan and the date it was made. If this is the first time the loan is being reported, this will be the same amount as reported in Column (b).

Cumulative Loans to Date

For each loan that is a contribution, enter the cumulative amount of contributions (including loans, loan guarantees, monetary and nonmonetary contributions) made to the recipient during the calendar year covered by the statement. If the recipient is a state candidate, also enter the total amount contributed in connection with each election and identify the election year. Because loans are contributions, the total amount of contributions, including loans, may not exceed the applicable state contribution limit. (Report loans to candidates or other committees on Schedule D.)

Schedule H Summary

Line 3 of the summary section of Schedule H will be a negative amount when payments received this period are greater than the amount of new loans made. Transfer the amount to the Summary Page, Column A, Line 7 as a negative figure and subtract this amount from the figure in Column B, Line 7 on the previous statement filed to determine the amount to report in Column B, Line 7 of this statement.

[Insert Form 460, Schedule I Example here]

Q. General Rules for Reporting Miscellaneous Increases to Cash on Schedule I

Report on Schedule I increases to the committee's cash position that are not monetary contributions, loans, or repayments of loans made to others. Examples include:

- Proceeds, up to the fair market value, of items sold at a garage sale or auction.
- Contributions returned to the committee.
- Refunds received on deposits, such as a telephone or room rental deposit or from over-payment of bills.
- Interest received or credited to a checking or savings account or other time deposit.
- Interest payments received on loans made to others.
- Receipts from the sale of committee assets.

[Example] A television was donated by Seaside TV Sales for your committee's auction. The television's fair market value was \$1,000. A person paid \$1,500 for the television. Report the purchaser information and report \$1,000 in the amount column of Schedule I. On Schedule A also report the purchaser as a contributor of \$500, the amount over the fair market value. Seaside will be reported as a contributor of \$1,000 on Schedule C.

Uncashed Checks

If the committee writes a check that is never deposited or negotiated, report the amount of the uncashed check on Schedule I.

Decreases to Cash

All decreases to cash must be reported as expenditures on Schedule E or H.

R. Completing the Form 460 Schedule I

Date

Report the date the committee received the miscellaneous receipt.

Source Information

Itemize sources of \$100 or more. Provide the full name, street address, city, state, and zip code of the source. Post office box numbers are not acceptable.

Description

Provide a description of the receipt, e.g., refund on room deposit for fundraiser, interest earned on loans made to others.

Amount

Enter the amount of the receipt.

Schedule I Summary

The total amount of miscellaneous increases to cash is reported on Line 4 of the summary section of Schedule I and on the Summary Page, Column A, Line 14.

[Insert Form 460, Summary page, Sch. A, Sch. E Examples here]

S. Form 450 (Recipient Committee Campaign Statement – Short Form)

The Form 450 may be filed instead of the Form 460 if, during the reporting period, the committee has:

- No receipt (contributions, loans, refunds, interest, etc.) from a single source of \$100 or more;
- No outstanding loans received or made; and
- No accrued expenses (unpaid bills).

[Insert Form 450 Example here]

1. How to Complete Form 450

Statement Covers

If this is the first report of the calendar year, the “from” date should be January 1. Otherwise, this date should be the day after the closing date of the most recently filed campaign statement.

Date of Election

When filing a preelection statement in connection with an election, provide the date of the election.

Part 1: Type of Recipient Committee

Check the box indicating that the committee is a general purpose committee, and also indicate whether it is sponsored and/or a small contributor committee.

Part 2: Type of Statement

Check the appropriate box to indicate the type of statement being filed, e.g., semi-annual, preelection, termination.

Part 3: Committee Information

This entire section must be completed and should include the same information as provided on the committee’s most recently filed Statement of Organization, Form 410. If the committee has not yet received an identification number from the Secretary of State, enter “pending” in the “I.D. Number” box.

Part 4: Verification

The Form 450 is not considered filed if it is not signed. The committee treasurer or the assistant treasurer must review the completed Form 450 and sign the verification. If the committee is sponsored and the sponsor is reporting contributions received through the sponsor or made by the sponsor, the responsible officer of the sponsor must also complete the verification.

[Insert Form 450 Summary Page Example here]

2. How to Complete the Summary Page

The Summary Page lists the totals of all contributions received and expenditures made during the period covered by the statement and the cumulative amounts of contributions and expenditures made during the calendar year.

The Summary Page also discloses the ending cash balance. Note: The figures on the Summary Page are representative, but not exact, from the chapter's illustrations.

[Quick Tip] Identify the sponsor as an intermediary if funds were deposited into the sponsor's account and transferred to the committee.

[Insert Form 450 Section 5 Page Example here]

3. How to Complete Section 5 Payments Made

Refer to the "General Rules" section in the instructions above for completing Form 460.

For each payment of \$100 or more, provide:

Date

The date an expenditure is made is generally not required; however, the date is required if the expenditure is a contribution or an independent expenditure to support or oppose a candidate, ballot measure, or other committee.

Name and Address of Payee

For each payee or creditor of \$100 or more, enter the full name, street address, city, state, and zip code. If the payee is different than the vendor providing the goods and services (subvendor), also enter the subvendor's full name, street address, city, state, and zip code if the payment to the subvendor was \$500 or more. (See page 11-19 for additional information about subvendor payments.)

Description of Payment

Enter a brief description of the goods or services.

Candidate and Office, Measure and Jurisdiction, or Committee

If a total of \$100 or more is contributed or expended during a calendar year to support or oppose a single candidate, ballot measure, or another general purpose committee (e.g., a political party), disclose the name of the candidate and the office sought or held, the number or letter and jurisdiction (e.g., state, multi-county, county, city, special district, etc.) of the ballot measure, or the name of the general purpose committee. For each candidate or measure listed, indicate whether the payment was made to support or oppose the candidate or measure and check one of the boxes indicating whether the payment was a contribution or an independent expenditure.

Amount This Period

Provide the amount(s) of the payment(s).

Cumulative Amounts to Date

For each payment that is a contribution or an independent expenditure, report the

cumulative amount contributed to or expended to support or oppose each itemized candidate, ballot measure, or committee since January 1 of the current calendar year.

See page Chapter 4 for information about contributions that must be aggregated when reporting the cumulative amounts to date.

Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Codes Sections

- 81004 Reports and Statements; Perjury; Verification.
- 81004.5 Reports and Statements; Amendments.
- 82013 Committee.
- 82015 Contribution.
- 82018 Cumulative Amount.
- 82025 Expenditure.
- 82025.5 Fair Market Value.
- 82044 Payment.
- 84105 Notification of Contributors.
- 84211 Contents of Campaign Statement.
- 84212 Forms; Loans.
- 84216 Loans.
- 84216.5 Loans Made by a Candidate or Committee.
- 84302 Contributions by Intermediary or Agent.
- 84303 Expenditures by Agent or Independent Contractor.
- 84306 Contributions Received by Agents of Candidates or Committees.
- 85311 Affiliated Entities; Aggregation of Contributions to State Candidates.
- 85700 Donor Information Requirements; Return of Contributions.
- 89515 Use of Campaign Funds for Donations and Loans.

Title 2 Regulations

- 18215 Contribution.
- 18215.1 Contributions; When Aggregated.
- 18216 Enforceable Promise to Make a Payment.
- 18225 Expenditure.
- 18401 Required Recordkeeping for Chapter 4.
- 18412 Identifying Funding Sources
- 18413 Reporting IEs by Eligible 501(c)3/4 Organizations
- 18419 Sponsored Committees.
- 18421 Cash Equivalents.
- 18421.1 Disclosure of the Making and Receipt of Contributions.
- 18421.2 Street Address.
- 18421.3 Reporting of Contributions and Expenditures Collected by Contract Vendors or Collecting Agents.
- 18421.4 Reporting Cumulative Amounts for State Elections and State Recipient Committees.
- 18421.6 Reporting Accrued Expenses.

- 18421.9 Reporting Expenditures Charged to a Credit, Debit or Charge Card by a Candidate or Committee.
- 18423 Payments for Personal Services as Contributions and Expenditures.
- 18427 Duties of Treasurers and Candidates with Respect to Campaign Statements.
- 18427.1 Notification to Contributors of \$5,000 or More.
- 18428 Reporting of Contributions and Independent Expenditures Required to be Aggregated.
- 18431 Reporting of Expenditures by an Agent or Independent Contractor.
- 18432.5 Intermediary.
- 18531.7 Payments for Communications—Section 85312.
- 18534 Required Committee Bank Accounts.
- 18570 Return of Contributions with Insufficient Donor Information.

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